

C3. CHAPTER 3

COAL REQUIREMENTS, PROCUREMENT, AND DISTRIBUTION

C3.1. GENERAL. Coal is assigned FSC 9110, Solid Fuel. Supply procedures for obtaining coal are contained in this volume. DoD Components shall comply with the guidance contained herein when requisitioning coal. Management of coal is exempt from MILSPETS, MILSTRIP, and MILSTRAP.

C3.2. TYPE OF COALS. Coal is an organic, heterogeneous material; basic characteristics are changed during mining and preparation for market. There are four major classes (or ranks) of coal mined in the United States. The highest ranks of coals are high in carbon and therefore heat value, but low in hydrogen and oxygen:

C3.2.1. Lignite (or Brown Coal). The first stage in the formation of coal produces a dark brownish type of coal called lignite. This class is the lowest in carbon, only about 30 percent.

C3.2.2. Sub-bituminous Coal. As the earth's pressure increases, lignite turns into a harder coal called sub-bituminous coal.

C3.2.3. Bituminous Coal. Bituminous coal is the most abundant variety, varying from medium to high rank. Of the four classes, this type is purchased most by the Department of Defense. The chemical and physical characteristics vary to a large degree; therefore, the bituminous coal industry has no standard size or quality. Specifications for each item requisitioned are based on the design of handling and burning equipment at the using location. The design is influenced by what type of coal is available at the most economical delivered cost to a given location.

C3.2.4. Anthracite. Intense pressure changes bituminous coal into anthracite, the hardest of all coals. Anthracite is produced from a relatively small area in northeastern Pennsylvania. The coal industry together with the Pennsylvania Department of Commerce standardized the marketing of anthracite as to size, nomenclature, and the allowable minimum quality and size. The highest-ranking anthracite contains 98 percent carbon.

C3.3. REQUIREMENTS

C3.3.1. Requisition Procedures

C3.3.1.1. DD Form 416, Purchase Request for Coal, Coke or Briquettes, shall be used by the Military Services and Federal Agencies to requisition coal from DESC. Service Control Points (SCPs) (see subsection C3.3.4., below) and Inventory Control Points (ICPs) of Federal Agencies shall submit DD Form 416 to DESC-A in accordance with the time frames listed in DESC I 4220.1, Requirements Submission Schedules for Energy Commodities and Related Services.

C3.3.1.2. A single DD Form 416 shall be prepared for each location by each class of coal, such as anthracite, bituminous, or sub-bituminous. The DD Form 416 shall include the product specifications,

quantity, monthly consumption (estimated), mode of desired delivery, and the purchase program period (delivery period).

C3.3.1.3. Military units shall prepare DD Form 416 at the user level (in accordance with SCP guidance) and forward it to their respective SCP. ICPs shall prepare the purchase request for Federal Agencies.

C3.3.2. Routine Requirements

C3.3.2.1. Routine coal requirements are covered by requirement contracts with delivery order limitations negotiated and awarded by DESC-A. Reference subsection C3.4.2.1., below, for local purchase provision.

C3.3.2.2. The using location shall include accounting and appropriation data on purchase orders issued under DESC's contracts. The user is not required to complete DD Form 350, Individual Contracting Action Report. DESC-A shall prepared DD Form 350 when a contract is issued.

C3.3.3. Emergency Requirements

C3.3.3.1. Emergency requirements for military users must be approved by the SCPs listed in subsection C3.3.4., below.

C3.3.3.2. DESC shall be notified of emergency circumstances, quantity of coal on hand, and estimated consumption for the next 30 days. Emergency requirements will be bought as quickly as possible.

C3.3.3.3. To preclude emergency situations and orders, the using activity shall promptly notify the contracting officer of late deliveries or any other problems; and stockpile coal in sufficient quantity to cover contingencies (contractual problems, inclement weather, etc.).

C3.3.4. Service Control Points (SCPs)

C3.3.4.1. Army: Commander, U.S. Army Petroleum Center/AMSTA-LC-CJPL, 54 M Avenue, Suite 9, New Cumberland, PA 17070-5008.

C3.3.4.2. Navy/Marine Corps: Commander, Naval Energy and Environmental Support Activity, Port Hueneme, CA 93043-5014.

C3.4. PROCUREMENT

C3.4.1. DLA/DESC. DESC, a field activity of DLA, is the central contracting agency for the procurement of coal within the Federal Government. DESC contracts for direct delivery; the user places orders. Coal contracts and purchase orders are not funded by DESC.

C3.4.2. Military Services and Federal Agencies. The Military Services and Federal Agencies shall budget and fund all coal requirements.

C3.4.2.1. Local Purchase. Local purchase is authorized, subject to the Military Services and Federal Agencies' regulations, when the annual requirement per line item does not exceed \$100,000.

C3.4.2.2. Emergency Purchase. Emergency purchase by the Military Services and Federal Agencies is authorized if exigency precludes submission of the requirement to DESC. The Military Services and Federal Agencies shall submit an explanation of the emergency and a copy of the contract to DESC.

C3.5. TRANSPORTATION

C3.5.1. Rail deliveries are FOB destination. Transportation cost is included in the awarded price paid by the user.

C3.5.2. Truck deliveries are FOB destination. Transportation cost is included in the awarded price paid by the user.

C3.6. EXCESS STOCK

C3.6.1. Less than \$20,000. Excess line items of value less than \$20,000 delivered cost shall be disposed of in accordance with the Military Services' disposal procedures and not reported to DESC.

C3.6.2. \$20,000 or More. Users shall report excess stocks through prescribed channels to their SCP. DESC will assist in redistributing such stock upon receipt of SF 120, Report of Excess Personal Property.

C3.7. QUALITY COMPLAINTS. When quality and operational problems are experienced at the using facility, reports are to be forwarded to DESC-BQ, 8725 John J. Kingman Road, Suite 2950, Ft. Belvoir, VA, 22060-6222. Procedures to be followed are outlined in DLAR 4155.24 /AR 702-7/SECNAVINST 4855.5A/AFR 74-6, Product Quality Deficiency Report Program.